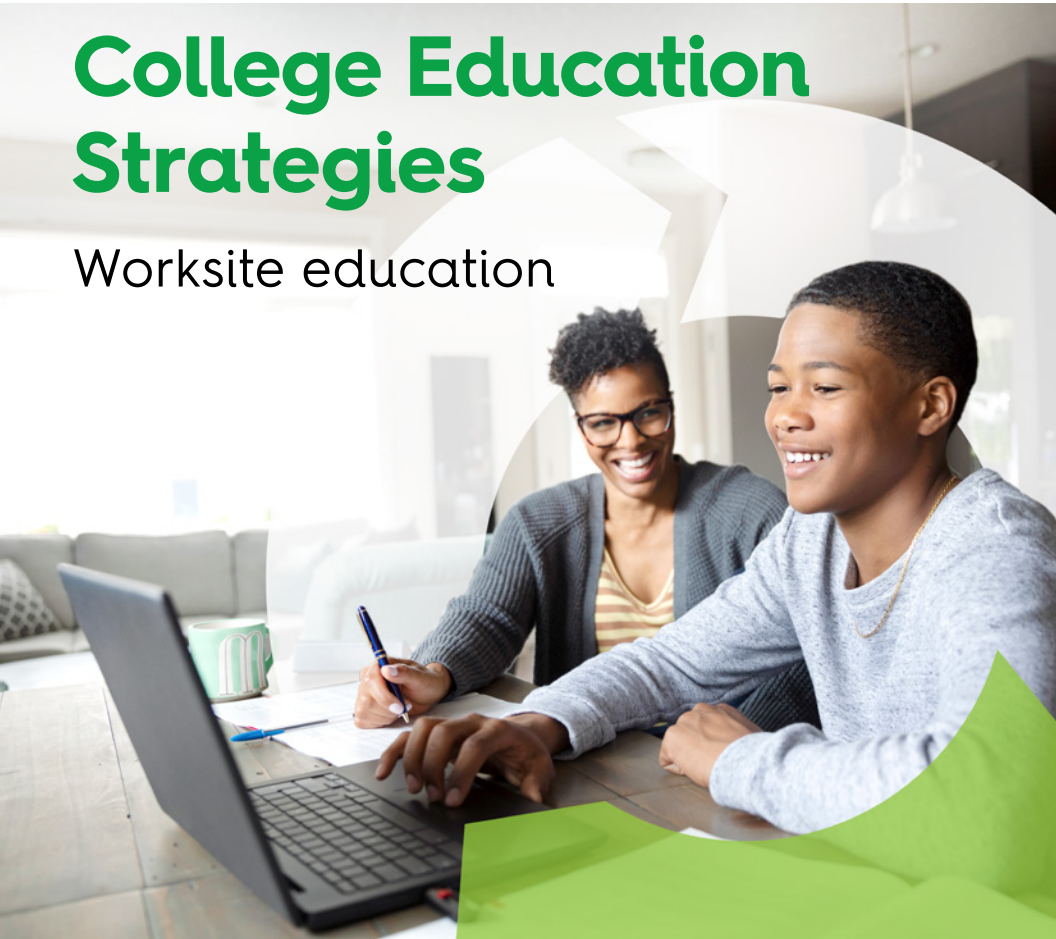


College Education Strategies

Worksite education



What are my goals in attending this session?

- Learn about future education for myself or family members**
- Understand the costs of education beyond high school**
- Discover how families pay for higher education**
- Become educated about potential funding strategies**
- Other:**

Names of future students to discuss college education:

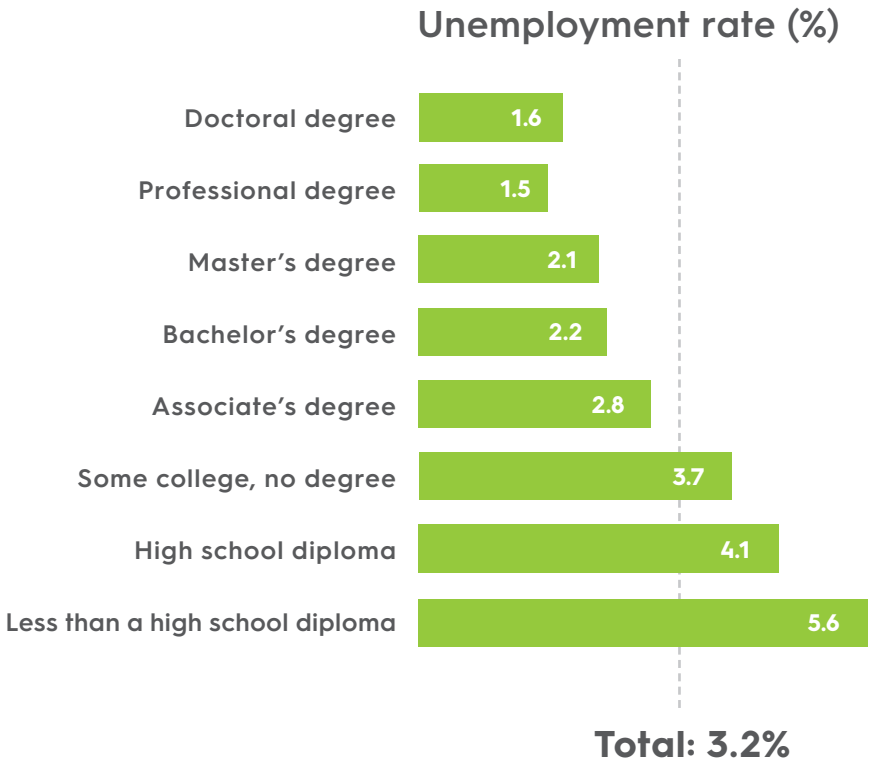
Name

Current age

Years until age 18

Notes

Education, employment and earnings

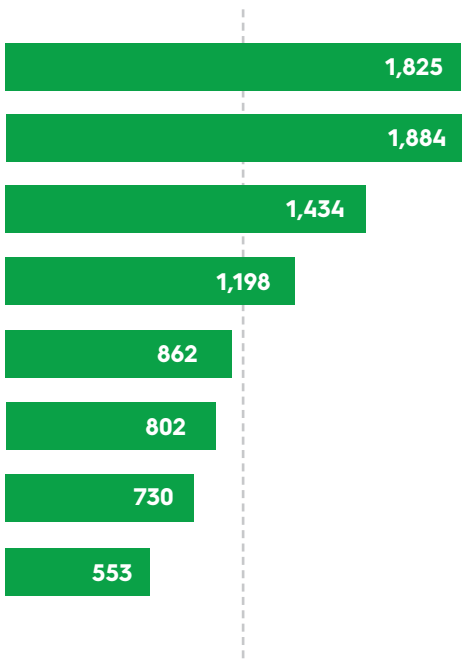


Note: Data are for persons 25 and over. Earnings are for full-time wage and salary workers.

Source: Unemployment rates and earnings by educational attainment. U.S. Bureau of Labor Statistics. 2018.

<https://www.bls.gov/emp/tables/unemployment-earnings-education.htm>

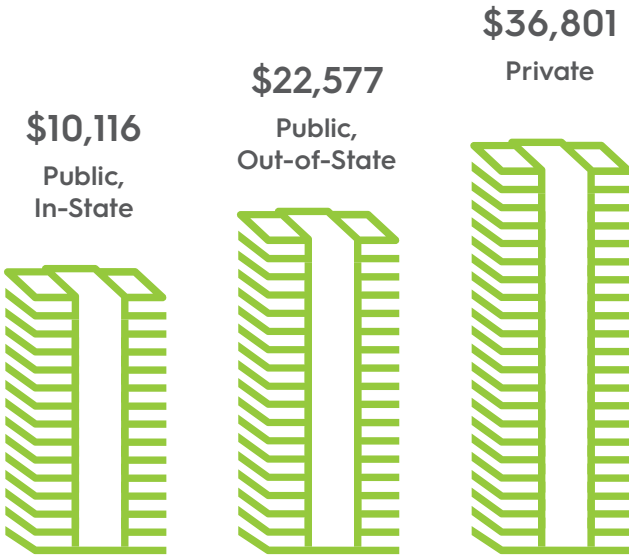
Median usual weekly earnings (\$)



All workers: \$932

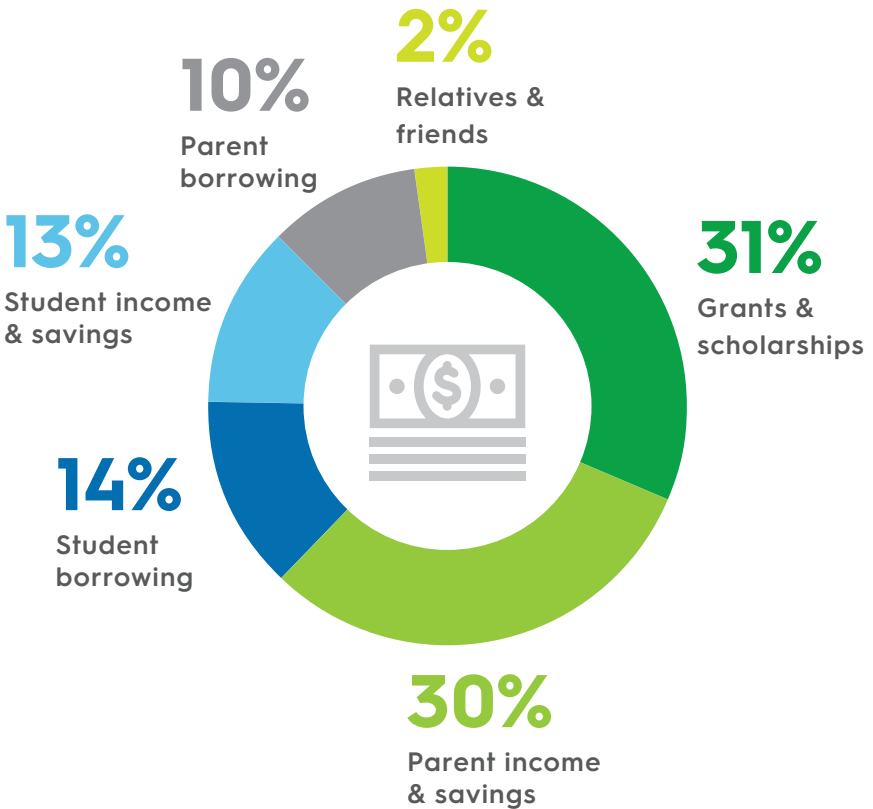
Average annual cost – tuition and fees

Average tuition and fees



Source: "See the average college tuition in 2019-2020." U.S. News and World Report. September 9, 2019. <https://www.usnews.com/education/best-colleges/paying-for-college/articles/paying-for-college-infographic>

How families pay for college today



Source: "How America pays for college, 2019." Sallie Mae®. 2019.
<https://www.salliemae.com/assets/research/HAP/HowAmericaPaysforCollege2019.pdf>

Free Application for Federal Student Aid (FAFSA)

Application period opens October 1 at fafsa.gov

You'll need:

Student information:

- Assets and income
- Social Security number
- Driver's license

Family information

- Assets and income

Information on special family circumstances:

- Military service
- Disability
- Multiple children in school

Curious about how it works?

Consider using **FAFSA4caster** at fafsa.gov

Have ready:

- W-2 forms
- 1099 forms
- Tax returns
- Bank, brokerage and investment statements

Expected Family Contribution (EFC)

Averages \$3,000-4,000 each year
(for families with adjusted gross income of \$50,000)¹

FAFSA determines eligibility for aid:

- Federal Pell Grant
- Federal Supplemental Education Opportunity Grant
- Direct subsidized loan
- Federal Perkins loan
- Federal work-study

File FAFSA form every year

Assets not considered in EFC include retirement assets (401(k) and IRA) and life insurance cash value.

1. "Expected family contribution: 10 things to know." October 2019. <http://www.thecollegesolution.com/expected-family-contribution-10-things-to-know/>

Funding vehicles

529 plan

Tax-advantaged funding program designed for future education expenses. Qualified withdrawals are free from federal taxes.

UTMA (Uniform Transfers to Minors Act) & UGMA (Uniform Gifts to Minors Act)

Custodial account in child's name. Funds may be used for any expense for child's benefit, including education. A portion of withdrawals are taxed at child's rate.

ESA – Coverdell Education Savings Account (formerly education IRA)

Offers tax benefits. Annual contributions limited to \$2,000 per year per student.

Permanent life insurance

Review coverage to protect child before college. Cash value accumulates tax deferred. A potential resource for college expenses.

ACTIVITY

What funding option would like you to know more about?

Notes

Considerations

1. Financial aid
2. Control
3. Student and family
4. Investment options
5. Flexibility
6. Estate planning
7. Contribution amount
8. Taxes



Timeline



For a free detailed checklist, visit studentaid.gov/resources/prepare-for-college/checklists

ACTIVITY

Take action now

- Talk with your future students
- Estimate future costs using an online calculator
- Visit **fafsa.gov** and use FAFSA4caster to project Expected Family Contribution
- Consider your total financial picture — do you need life insurance coverage for your family?
- Take advantage of funding vehicles
- Meet with a financial professional

List two to three actions you want to take after today's session:

Resources

- High school guidance office
- College preparation checklist:
<https://studentaid.gov/resources/prepare-for-college/checklists>
- [FAFSA.gov](https://studentaid.gov)
- FAFSA4caster at:
<https://studentaid.gov/understand-aid/estimate>
- U.S. News and World Report:
<https://www.usnews.com/education>

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A 529 plan is a tax-advantaged investment program designed to help pay for qualified education expenses. Participation in a 529 plan does not guarantee that the contributions and investment returns will be adequate to cover education expenses. Contributors to the plan assume all investment risk, including the potential for loss of principal, and any penalties for non-educational withdrawals.

Your state of residence may offer state tax advantages to residents who participate in the in-state plan, subject to meeting certain conditions or requirements. You may miss out on certain state tax advantages should you choose another state's 529 plan. Any state-based benefits should be one of many appropriately weighted factors to be considered in making an investment decision. You should consult with your financial, tax or other advisor to learn

more about how state-based benefits (including any limitations) would apply to your specific circumstances. You may also wish to contact your home state's 529 plan program administrator to learn more about the benefits that might be available to you by investing in the in-state plan.

Life insurance products contain fees, such as mortality and expense charges, and may contain restrictions, such as surrender periods. Policyholders could lose money in this product. Please keep in mind the primary reason to purchase a life insurance product is the death benefit. Policy loans and withdrawals may create an adverse tax result in the event of a lapse or policy surrender, and will reduce both the cash value and death benefit.

Investments will fluctuate and when redeemed may be worth more or less than when originally invested.

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Financial advisors do not provide specific tax/legal advice and this information should not be considered as such. You should always consult your tax/legal advisor regarding your own specific tax/legal situation.

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